

**COMMENTS OF GDF SUEZ ENERGY NA
ON RAISED BILL NO. 6514
AN ACT CONCERNING LOWERING CONSUMER ELECTRIC COSTS
AND SUPPORTING ENERGY EFFICIENCY**

GDF SUEZ Energy North America (GDF SUEZ NA), the new owner of FirstLight Power Resources, Inc. (FirstLight), a Hartford based company, owns or operates approximately 1,768 MWs of generating capacity in New England. It is also the parent of SUEZ Energy Resources NA, a competitive retail electricity supplier in Connecticut serving approximately 100 commercial, industrial, and governmental institutions including municipalities and state entities.¹ GDF SUEZ NA appreciates the opportunity to provide comments in opposition to Raised Bill No. 6514, which would unfairly penalize competitive energy producers and chill investment in all industries in Connecticut that would fear similar treatment from legislators that deemed their profits as “excessive.”

The competitive electric generation business is a very risky business. Owners of plants are exposed to market pressures and do not enjoy the guaranteed profits that regulated utilities did prior to deregulation. Those market pressures have resulted in a far more efficiently run generation fleet in New England. In 1998, when the generating fleet was operated by the regulated utilities, the amount of time that those plants were unavailable to operate due to planned or forced outages was 22% of the year. Since the generating fleet of units in New England has been owned and operated by competitive generation companies who must be available to operate in order to earn revenue, the amount of time that those plants are unavailable to operate has been sliced in half to only 11% of the year. This improvement has significantly reduced the amount of capacity that New England must have to produce the same level of reliability for customers throughout the six state region.

In addition, data from the Independent System Operator-New England (ISO-NE) clearly shows that had the price of the fuels that are burned to produce electricity remained the same since deregulation began in 1998, electricity prices would have decreased since that point, primarily due to the competitive market driving producers to develop better ways to produce their product. Now that the prices of natural gas and oil have been substantially reduced and are now only approximately double what they were in 1998, the prices of electricity have similarly fallen from their highs when oil was over \$100/barrel and natural gas was more than \$8 per million Btu, more than four times the 1998 price.

The majority of the plants that my company owns in New England are hydroelectric plants and we are the largest producer of hydroelectric energy in Connecticut. This bill has the potential to grab profits that we enjoyed during 2008, which was the wettest year in history based on data from Bradley Airport, but would have provided no assistance to

¹ With more than 175MW and approximately 875,000 annualized MWh, SUEZ Energy Resources NA provides a comprehensive suite of energy products including electricity, demand response, and renewable energy-based products. Nationwide, SUEZ Energy Resources NA serves over 30,000 accounts and approximately 7,300MW with customers ranging from 50kW to over 200MW.

us in 2007 when we suffered through a significant drought in the last half of the year.

Competitive generation companies that are developing and operating generation projects and participating in the energy markets bear all of the risk associated with those activities and must carefully manage costs in an environment of rapidly escalating construction and operating costs in addition to managing the market risks. These companies, not ratepayers, are ultimately responsible for any cost overruns and market risks associated with these activities.

GDF SUEZ NA strongly urges the Committee to reject Raised Bill No. 6514 so that those companies that have already invested in Connecticut are not punished for their risk taking and that another sign to “stay out of Connecticut” is not held high to other companies contemplating investing and bringing new jobs into this state, especially at this time when additional jobs are sorely needed.

Submitted by:

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